House File 19 - Introduced

HOUSE FILE 19 BY HUNTER

A BILL FOR

- 1 An Act relating to employee leave by providing for time off and
- 2 vacation leave, making penalties applicable, and including
- 3 effective date and applicability provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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- 1 Section 1. Section 91A.2, Code 2015, is amended by adding
- 2 the following new subsection:
- 3 NEW SUBSECTION. 6A. "Paid time off" means a benefit
- 4 provided by an employer that allows an employee to take time
- 5 off from work with pay without regard to the reason the
- 6 employee chooses to take the time off.
- 7 Sec. 2. Section 91A.2, subsection 7, paragraph b, Code 2015,
- 8 is amended to read as follows:
- 9 b. Vacation, holiday, paid time off, sick leave, and
- 10 severance payments which are due an employee under an agreement
- 11 with the employer or under a policy or practice of the
- 12 employer.
- 13 Sec. 3. Section 91A.4, Code 2015, is amended by striking the
- 14 section and inserting in lieu thereof the following:
- 91A.4 Employment suspension or termination calculation and
- 16 payment of wages.
- 17 l. If the employment of an employee is suspended or
- 18 terminated, an employee's employer shall pay all wages
- 19 earned by the employee up to the time of the suspension or
- 20 termination, less any lawful deductions specified in section
- 21 91A.5, no later than the next regular payday after suspension
- 22 or termination, except as follows:
- 23 a. Earned wages that are the difference between a credit
- 24 paid against wages determined on a commission basis and the
- 25 wages actually earned on a commission basis shall be paid
- 26 by the employer not more than thirty days after the date of
- 27 suspension or termination.
- 28 b. If while employed, an employee earned paid time off
- 29 but did not earn vacation, an employer may reduce pay for
- 30 accumulated paid time off by up to one-third.
- 31 c. If while employed, an employee earned both vacation pay
- 32 and paid time off, no payment for accrued paid time off is
- 33 required.
- 34 2. An employer shall not adopt a policy or practice of
- 35 denying payment for vacation or for paid time off upon the

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- 1 suspension or termination of an employee's employment unless
- 2 the employee's employment was terminated by the employer
- 3 for misconduct as defined in the rules of the department of
- 4 workforce development pursuant to section 96.5, subsection 2.
- 5 3. Except as provided in subsection 1, upon suspension or
- 6 termination of an employee's employment, the amount of pay owed
- 7 for accrued paid time off or accrued vacation shall be the
- 8 amount of pay the employee would have received if the employee
- 9 had not been suspended or terminated and had begun taking the
- 10 total amount of accrued paid time off or accrued vacation on
- 11 the date the suspension or termination occurred.
- 12 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
- 13 immediate importance, takes effect upon enactment.
- 14 Sec. 5. APPLICABILITY. This Act applies only to the
- 15 suspension or termination of an employee's employment that
- 16 takes place on or after the effective date of this Act.
- 17 EXPLANATION
- 18 The inclusion of this explanation does not constitute agreement with
- the explanation's substance by the members of the general assembly.
- 20 This bill provides employee leave by providing for time off
- 21 and vacation leave. The bill relates to payments for accrued
- 22 vacation time and for accrued paid time off for all employees
- 23 who are terminated or suspended.
- 24 Current law requires an employer to pay accrued vacation pay
- 25 to a terminated or suspended employee only if the employer has
- 26 a policy, procedure, or contract that requires the employer to
- 27 do so.
- The bill defines "paid time off" as a benefit allowing an
- 29 employee to take time off from work with pay without regard to
- 30 the reason the employee chooses to take the time off. "Paid
- 31 time off" is also added to the definition of "wages".
- 32 The bill provides that if an employee is suspended or
- 33 terminated, upon request the employer must pay all earned
- 34 wages, now including paid time off, by the next regular payday.
- 35 The bill provides for an employee who earned paid time off

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- 1 while employed but did not earn vacation, that the employer may
- 2 reduce the pay for the accrued paid time off by one-third. For
- 3 an employee who earned both vacation and paid time off while
- 4 employed, the employer is not required to make payment for the
- 5 paid time off.
- 6 An employer shall not adopt a policy or practice to deny
- 7 payment for accrued vacation or accrued paid time off upon the
- 8 suspension or termination of an employee unless the employee's
- 9 employment ended due to misconduct. Misconduct is not defined
- 10 in statute but is defined in the department of workforce
- 11 development's administrative rules.
- 12 The bill provides for the calculation and payment of an
- 13 employee's accrued paid time off or vacation if the employee
- 14 is suspended or terminated. The amount of such pay owed to an
- 15 employee is the amount of pay equal to the accrued vacation or
- 16 paid time off as if the employee began taking the vacation or
- 17 paid time off the day the suspension or termination took place.
- Unpaid wages or expenses, along with liquidated damages,
- 19 court costs, and attorney's fees, may be recovered by the
- 20 employee or the commissioner by civil action under Code chapter
- 21 91A. An employer who violates Code chapter 91A is also subject
- 22 to a civil penalty of not more than \$500 per pay period for each
- 23 violation.
- 24 The bill takes effect upon enactment. The bill is made
- 25 applicable only to the suspension or termination of an
- 26 employee's employment that occurs on or after that date.